

Kentucky State Government Agency Strategic Plan Template

V4: 5-25-11

a. Cabinet Number & Cabinet Name (2 digits)

55 -- Personnel Cabinet

b. Department Number & Department Name (3 digits)

790, 793, 794 – Secretary's Office, Human Resources Administration, Employee Insurance

c. Office/Unit Number (Optional) & Office/Unit Name

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d. Agency Strategic Plan Origination Date

August, 2008

e. Agency Strategic Plan Update/Revision Date

September 5, 2012

f. Agency Strategic Plan Revision Number

2

I. Agency Mission Statement

The Personnel Cabinet provides leadership and guidance to attract, develop, motivate and retain a talented, diverse workforce; foster an understanding of and adherence to regulatory requirements; and create a positive, supportive work environment that values all employees.

II. Agency Vision Statement

To be regarded by our employees and stakeholders as a trusted and valuable resource for innovative, accessible and responsive human resource services.

III. Agency Organizational Core Values

Integrity

We believe in adherence to the highest standards of conduct and the conviction to do what is legally and morally right.

Quality

We are committed to providing quality customer service. We will continually review our business processes based on customer needs and establish measures by which we will monitor our effectiveness.

Diversity

We believe that embracing people from diverse backgrounds adds to the richness and creativity of our workforce. We will ensure all people have equal access to the Commonwealth's employment opportunities and other human resource services.

Innovation

We are committed to finding new and creative ways to serve our customers. We will apply progressive thinking to our systems, processes and services.

IV. Statement of Alignment with the Governor's Strategic Themes/Goals

A. Create Careers and Economic Opportunities

- Formulate a recommendation for enhancements to the Commonwealth's Classification system and Compensation model which has not been reviewed since the early 1990's. Develop and deliver advanced KHRIS and human resource training to develop a more professional HR workforce.
- More direct oversight of the Performance Management program to ensure alignment with organizational mission and job duties.
- Recruit, develop and retain a highly skilled workforce.
- Implemented Veterans' preference in hiring for State Government.
- Minority employment goals will increase by ¼% per quarter until it reaches 12.2%.
- Complete affirmative action plan.
- Meet minority employment goal of 12.2% over a four-year period.
- Initiate involvement in recruiting.

B. Create a Healthier Kentucky

- Wellness efforts including Humana Vitality Program need to be increasingly successful.
- First web-based open enrollment, benefits analyzer, and 20%+ shift to consumer choice products; established on-site clinics in Frankfort; started wellness activities.
- Provide competitive and comprehensive health insurance benefits for state employees, boards of education, and others, including dependents with limited resources.

C. Enhance Educational Excellence

- Continue training state employees in the areas of Anti- Harassment and Diversity as well as administer the Governor's Minority Management Trainee Program (GMMTP).
- Continue hosting the EEO Conference to discuss trends, educate and provide a forum for networking.
- Re-establish the Certified Public Manager Program in the Governmental Services Center (GSC) in cooperation with Kentucky State University.
- Utilize on-line training to enhance accessibility statewide.
- Train IT staff in SAP and SharePoint software to assume a larger role in KHRIS while reducing the use of contractors.

D. Ensure Safe Communities

- Implement a Transitional Placement Program to assist employees who have been injured on the job or have a non-occupational injury/illness maintain employment within KY state government. This will be keeping within the spirit of the Americans' with Disabilities Act by providing a reasonable accommodation of reassignment.
- Work with the Employee Safety Advisory Council (ESAC) to improve workplace safety in Kentucky State Government.

E. Enhance Responsible Governance

- Continue to reduce the rate of growth for Workers Compensation total liability for the Commonwealth and bring the program under budget barring an unforeseen event.
- Minimize impact of 2% increase in funding for KEHP with loss of \$95 million in federal funds and \$25 million in "grandfathered" federal exemptions in calendar 2014. Major changes expected in 2014 to health plan benefits and costs for state employees, boards of education, and others.
- Eliminate paper pay checks from Treasury and the state payroll; work toward eliminating paper pay stubs for employees with payroll direct deposit.
- Assist in improvements to KERS—elimination of placement agents, management changes, 25-year payment schedule from the Commonwealth to KERS.

- Moved from a self-managed Medicare supplement program for early retirees to a Humana administered program reducing long-term liability by approximately \$2.5 billion.
- Promote solutions to the Commonwealth's long-term funding deficit for its retirement systems.
- Work with the Secretary of the Executive Cabinet, the Office of the State Budget Director, the Commonwealth Office of Technology, and the Controller's Office to manage KHRIS successfully.

<p style="text-align: center;">V. Statement of Alignment with the Agency's Budget Request & 6-Year Capital Plan</p>

- The Personnel Cabinet's budget request through the thoughtful application of its Mission, Vision, and Values will continue to work to achieve the Governor's Goals and meet its statutory obligations.
- Successful management of KEHP with 0% and 2% budget increases for calendar 2011 and 2012, \$50 million transferred to GF, and premium holiday; obtained \$95 million in ERRP funds.
- Add necessary major upgrade to SAP software for KHRIS to the 6-Year Capital Plan and request sufficient funding for budget execution.

VI. Situation Analysis/Environmental Analysis

A. Organizational Description (Internal Environment)

B. SWOT Analysis

1. Strengths

We have a diverse employee base with rich institutional knowledge. There are several subject matter experts who give ideas to improve existing programs and initiatives and suggest new projects to benefit our customers.

2. Weaknesses

Baby boomers make up a large percentage of our employee population and institutional knowledge exits on the day of retirement.

The Commonwealth has significant fiscal challenges.

3. Opportunities

Fiscal crises provide opportunities for expenditure reductions and revenue growth while correcting the structural imbalances evident in the funding of State Government. The goals and challenges listed above present opportunities for positive change as well as difficulties.

Creating a more innovative workplace through promotion of health and wellness, effective leadership, opportunities of learning and advancement, promotion of workplace flexibility, culture of inclusion and competitive compensation and benefits.

The use of technology can improve efficiency and improve services to the public.

4. Threats

KEHP funding for the 2014 calendar year is not sufficient for the continuation of current health insurance options.

KERS is a major long-term risk to the financial stability of the Commonwealth even with the schedule of increases in state funding for KERS over the next 25 years. Funding needs for state pension systems and health insurance (Medicaid and KEHP) will make it difficult for the Commonwealth to maintain essential public services.

Retaining key talent.

Increase participation in wellness and disease management to help mitigate cost increases.

HR system support and upgrades.

VII. Measurable Goals, Objectives & Key Performance Indicators

1. Make Kentucky state government an employer of choice

1.1. Promote workplace flexibility

Performance Indicators:

- number and percent of employees utilizing flexible work options

1.2. Ensure diversity of the workforce

Performance Indicators:

- Increase minority & female utilization to meet new census goals.
- EEO compliance data

1.3. Promote health & wellness

Performance Indicators:

- number and percent of employees participating in HumanaVitality

1.4. Recognize and reward outstanding employee performance

Performance Indicators:

- Number of nominations for Governor's Ambassador Awards
- Number of recognition programs in the Cabinet

2. Create a learning and development culture

2.1. Develop innovative learning strategies

Performance Indicators:

- Number of alternate learning strategies (computer-based learning, distance learning, etc.)

2.2. Encourage employee learning

Performance Indicators:

- Number and percent of employees participating in learning activities
- Percent of participants graduating from the Governor's Minority Management Training Program

2.3. Develop career development & training paths

Performance Indicators:

- Number of job classes with defined career paths
- Number of employees with formal learning & development plans

2.4. Share knowledge across the enterprise

Performance Indicators:

- Participation in cross-cabinet and enterprise-wide advisory groups
- Usage of various department newsletters, training sessions and other communication strategies
- Participation in the HR Leadership Consortium (HRLC) and the International Personnel Management Association (Kentucky Chapter).

3. Promote a one-employer concept across Kentucky state government

3.1. Maintain full and successful functionality of KHRIS

3.2. Partner with other agencies in the development and implementation of HR programs, projects and procedures

Performance Indicators:

- Participation in cross-cabinet and enterprise-wide advisory groups
- Number of projects or improvements implemented

3.3. Create standard procedures for all human resource related functions

Performance Indicators:

- Number of procedures revised and/or implemented
- Compliance with procedures

4. Enhance customer value

- 4.1. Measure value of and satisfaction with cabinet services & programs
Performance Indicators:
- Score on customer satisfaction surveys
- 4.2. Ensure cabinet structures and systems enable high-quality customer service
Performance Indicators:
- Number of process improvements implemented
 - Score on customer satisfaction surveys
- 4.3. Improve communication with customers
Performance Indicators:
- Number of communication vehicles used (newsletters, web sites, committees, etc.)
 - Score on customer satisfaction surveys

***VIII. Strategic Plan Progress Report on
Goals & Objectives Operable in the Last year
For information & guidance, see [Progress Report Steps](#)***

55.1 Develop a plan for the Commonwealth to use Personnel (human resource) management as a strategic tool to drive desired results.

- Update Affirmative Action Plan, develop targeted recruitment plans for females and minorities, develop EEO training modules for managers and employees—Affirmative Action Plan updated to include protection from discrimination because of gender orientation; targeted recruitment plans in progress; training modules not yet in development.
- Evaluate and assess system for handling EEO grievances and complaints—not yet initiated.
- Implement the vision and plan of action for the Kentucky Human Resource Information System—KHRIS fully operational and in place.

55.2 Re-engineer key processes and apply technology in order to create an efficient human capital management system.

- Implement Statewide Safety Program to ensure the safety of employees and the financial stability of the Commonwealth's self-insured workers' compensation program—program implemented; total charges to state workers' compensation group less than the medical CPI.
- Develop new methods for the sustainability of health benefits under the self-insured health care program—wellness initiative, HumanaVitality Program with over 12,000 employees enrolled, consumer driven health plans enrollment increase; health coaching program; First On-site clinics in state buildings, benefits estimator for open enrollment.
- Establish an increasing trend in the use of technology to deliver services—KHRIS Project; greatly enhanced Personnel Cabinet website; workers' compensation administrative system; e-learning from Governmental Services Center; enhanced electronic HIPAA compliance; significant expansion of information technology professionals in Cabinet resulting in enhanced capability.

55.3 Develop and implement a world class customer service culture consisting of job content experts serving as process consultants trained in quality tools and that use state-of-the-art technologies.

- Provide personnel and financial information in a timely, accurate, and responsive method to meet the needs of both internal and external customers—monthly financial management reports are provided to executive management; we have devoted numerous resources to assist external customers—too many to list.
- Transition Staffing Services from a counselor model to a recruiter model to provide value-added services to the hiring process—while the transition is not complete, applying for state employment has become almost completely electronic through the Career Opportunities System; very few applicants for state employment stop in for job counseling compared to prior years; testing for state employment has been eliminated.
- Begin IPMA-HR Certification for Staff—One employee has obtained IPMA-HR certification.

55.4 To increase the effective/efficient use of resources.

- Obtained \$95.5M on behalf of Commonwealth of Kentucky from Early Retiree Reinsurance Program (ERRP) established in U. S. PPACA to reimburse employment-based plans for a portion of the costs they incur providing health coverage to early retirees.
- Assisted the Kentucky Employees' Health Plan in retaining "grandfathered" status under PPACA for plan year 2012.
- Increase awareness, knowledge, and understanding of health care plans by plan participants (Health Insurance)—greatly improved health choice booklet publication, electronic benefits estimator to help employees choose among plans.
- Develop new health care system (KHRIS)—successful open enrollment in calendar 2011 and 2012; other work in progress.
- Increase state employee population served through training services offered by GSC—has increased.
- Increase customer satisfaction with organizational development services—services deferred.
- Provide minimum of 12 supervisor evaluation system training classes each year—done.
- Increase the number of new participants in the Deferred Compensation Program—new participants increased
- Increase participant deferrals (Deferred Compensation).
- A formalized safety program has been implemented—quarterly meetings, goals established, results calculated.
- Continue expansion of a comprehensive return-to-work program.
- Oversee a managed care plan, including PPO participation, in workers' compensation to ensure effective coordination of medical benefits and reduce costs—done.
- To continually improve and develop joint employer-employee programs that promote employee satisfaction—Kentucky Employee Mediation Program is the first program to win a national award from the International Personnel Management Association for effectiveness; the Personnel Cabinet hosts the annual Governor's Ambassador Awards for customer service, courage, leadership, professional achievement, and teamwork or community service. The award winners have their names inscribed on bricks in the Thomas D. Clark Center for Kentucky History; the Kentucky Employee Assistance Program continues to provide excellent service to troubled employees.

55.5 To continually improve employee performance to meet the changing needs and expectations of the public.

Over half of employees received an annual evaluation, met with their supervisors and agreed to a mutually acceptable performance plan; and, the Governmental Services Center audited several employee evaluations for adequacy and compliance with rules.

The Employee Suggestion System has continued to lead to performance improvements and efficiencies. Employee-produced software has added the Suggestion System to KHRIS.